

ASSEMBLY BILL

No. 906

Introduced by Assembly Member Houston

February 18, 2005

An act to add Sections 17052.14 and 23614 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 906, as introduced, Houston. Income taxes: credits: construction costs: qualified developments.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2005, in an amount equal to 15% of the costs paid or incurred during the taxable year for the construction or rehabilitation of a qualified development, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17052.14 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17052.14. (a) For each taxable year beginning on or after
- 4 January 1, 2005, there shall be allowed as a credit against the
- 5 "net tax," as defined in Section 17039, an amount equal to 15
- 6 percent of the costs paid or incurred during the taxable year for
- 7 the construction or rehabilitation of a qualified development.

(b) For purposes of this section:

(1) “Qualified development” includes a development of property located on a brownfield site, a mixed-use development, and a development that combines high residential density with transit service accessibility.

(2) “Brownfield site” has the same meaning as that term is described in Section 44504.1 of the Health and Safety Code.

(3) “Mixed-use development” has the same meaning as that term is described in subparagraph (B) of paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code.

(c) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

SEC. 2. Section 23614 is added to the Revenue and Taxation Code, to read:

23614. (a) For each taxable year beginning on or after January 1, 2005, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to 15 percent of the costs paid or incurred during the taxable year for the construction or rehabilitation of a qualified development.

(b) For purposes of this section:

(1) “Qualified development” includes a development of property located on a brownfield site, a mixed-use development, and a development that combines high residential density with transit service accessibility.

(2) “Brownfield site” has the same meaning as that term is described in Section 44504.1 of the Health and Safety Code.

(3) “Mixed-use development” has the same meaning as that term is described in subparagraph (B) of paragraph (2) of subdivision (h) of Section 65589.5 of the Government Code.

(c) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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